

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 791 - SB 778

March 22, 2011

SUMMARY OF BILL: Expands the meaning of major procurement contract, as it relates to the Tennessee Education Lottery Corporation (TELC), to mean any gaming product or service costing in excess of \$250,000, rather than \$75,000. Requires all major procurement contracts which are procured by the TELC to be approved by the Procurement Commission. Prohibits the TELC from entering into, or renewing, any major procurement contract on or after January 1, 2012, until the policies and procedures of the TELC, that were in existence prior to October 1, 2011, are reviewed and approved by the Procurement Commission. Establishes policies for both the TELC and the Procurement Commission. Requires the TELC to post certain major procurement contracts, and major procurement opportunities, on its website.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Departments of Finance and Administration and General Services, purchasing policies and procedures for the TELC are already subject to review and approval by the Board of Standards, which transitioned to the Procurement Commission pursuant to Public Chapter 1098 of 2010.
- The Procurement Commission processes major procurement contract approval requests in a timely manner that will not impact net lottery proceeds or the Corporation's ability to make products and services available to the buying public.
- Any increase in state expenditures for the Procurement Commission to process major procurement contracts of the TELC will be not significant. Any net change in TELC contract expenditures is estimated to be not significant. Any increase in TELC expenditures for posting the required information to the Corporation's website will be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc